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Federal Controls of Uranium-Bearing Ores

By CHRISTOPHER J. ALLISON*

Since the explosion of the atomic bomb over Hiroshima in 1945, the importance to a nation of a supply of uranium has received more discussion than the importance of a supply of gold and silver.¹ Because ores bearing uranium are basic raw materials in the production of atomic energy, they are subject to certain federal controls stemming from the provisions of the Atomic Energy Act of 1946.² These controls are superimposed upon prior existing federal statutes, regulations of the Department of Interior, and state mining law. General information on the extent of these controls should be of particular interest to attorneys practicing in this state.

A permit from the federal government is not needed in order to prospect for uranium on federal lands except in certain localities as Indian reservations. Arrangements for the lease or purchase of uranium mining rights in privately owned lands may be made as in the case of any other land.

At the present time the Atomic Energy Commission is carrying on extensive uranium surveys on the Colorado Plateau. The public land in this area of approximately 150 square miles in southwestern Colorado and southeastern Utah, has been withdrawn from mineral entry and appropriation.³ Where ore is found on privately-held claims in this withdrawn area, work by the Commission will stop when it is thought that indications justify the owner continuing exploration and development at his own expense.⁴ On completion of exploration in a given area, those lands withdrawn from mineral entry will be released from the withdrawal orders and will again be open for entry. It is expected that such lands found to contain uranium will become

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¹ Over 100 minerals bear uranium, but only two are responsible for the greater part of the world's present supply—pitchblend and carnotite. DE MENT, J., AND DAKE, H. C., *HANDBOOK OF URANIUM MINERALS*, p. 46, Mineralogist Printing Co. (1948). Pitchblend, the only primary mineral-bearing uranium, is by far the most important, but this ore has not been discovered in major concentrations in the United States.

Carnotite is found in a number of localities in the world, and the deposits in the Colorado Plateau area are the best known source in the United States. Discovered in 1899, they have been the principal domestic source of vanadium, radium, and uranium. Only high grade ore was taken for radium extraction in the early period of production, but since 1937 the Colorado Plateau deposits of carnotite have been mined intensively for vanadium. Fisher, *FEDERAL EXPLORATION FOR CARNOTITE*, address delivered at the annual meeting of the Colorado Mining Association, Denver, Colorado, February 1, 1949. Only in the last few years has uranium been recognized as something other than an almost useless by-product of carnotite.

Geologically, carnotite is a secondary mineral, having been formed from primary minerals by weathering or natural processes. In the Colorado Plateau area carnotite occurs in placers. It is widely scattered in the sandstones where it occurs in rich, powdery masses filling interstices between grains of sandstones and in cracks and crevices.

² Public Law 585, 79th Congress.

³ Public Land Orders 459, 494, 595.

⁴ Fisher, R. P., *supra*, note 1.

available for development by private interest under arrangements with the Commission.⁵

Although the Atomic Energy Act provides that all uranium and thorium on those public lands which were vacant and unoccupied on August 1, 1946, is reserved "for the use of the United States", it is the view of the Commission and the Department of Interior that this provision does not prevent the staking of a valid claim as a result of the discovery of uranium or thorium, and will generally not prevent the locator from mining or selling the ore.⁶

The Bureau of Land Management of the Department of Interior has set forth the standard procedure for staking claims on the public domain, and this procedure is applicable to uranium ores. Generally a location is made by staking the corners of the claim, posting notice of the location thereon, and complying with the state laws regarding the recordation of location in the county recorder's office. All state mining laws supplemental to United States mining laws must be observed. A patent is not necessary in order to develop, mine and dispose of uranium, but possessory right must be maintained by the performance of annual assessment work on the claim in order to prevent its relocation by another.⁷

Powers of The Commission

Because the Atomic Energy Act provides that the Federal government retains rights in uranium ores located on all public lands after August 1, 1946, the Atomic Energy Commission has the right to enter public lands which are subject to location and remove the uranium or thorium. It may also require the delivery to the Commission of uranium or thorium located on public lands after the metal has been mined and separated. If the Commission exercises either of these powers, it does not have to pay for the uranium removed, but compensation is allowed for any damages caused by the Commission's action and for any by-product, such as vanadium, which is removed with the uranium. In the latter case it must pay for the reasonable value of one's services and labor, including a profit.

Although the right of entry or the power to require delivery exists, the Commission has followed the policy of acquiring uranium ores through commercial means. Guaranteed minimum prices have been established, and ores meeting the specifications (0.10 percent U_3O_8) will be purchased by the Commission or its authorized agent. Delivered ores assaying less than 0.10 percent become the property of the Commission or its agent as liquidated damages for the buyer's expense of assaying.⁸

⁵ Prospecting for Uranium, United States Atomic Energy Commission and the United States Geological Survey (1949).

⁶ Prospecting for Uranium, *supra*, note 5.

⁷ Circular No. 1278, United States Department of the Interior, Bureau of Land Management.

⁸ Circulars 1, 3, and 5, Domestic Price Schedules, United States Atomic Energy Commission.

The Atomic Energy Act provides that no person may transfer or deliver, receive possession of, or title to, source material (uranium or thorium) after removal from its place of deposit in nature without a license from the Commission.⁹ Source material in order to be subject to licensing must contain by weight 0.05 percent or more of uranium or thorium or any combination thereof.

The \$10,000.00 bonus being offered by the Federal government was made "to stimulate prospecting for, discovery of, and production from new high grade domestic uranium deposits". This bonus will not be paid merely for the discovery alone, but only in connection with delivery to the Commission of the first 20 short tons of uranium bearing ores or mechanical concentrates assaying 20 percent or more uranium by weight from any single mining location, lode, or placer which has not been previously worked for uranium. Further, this bonus does not apply to delivery of ores of the Colorado Plateau area for which the Commission has established guaranteed minimum prices.¹⁰

To date the Colorado Mining Association has not received information of any prospectors or miners receiving this bonus.

New Members of The Denver Bar Association

At the first two meetings of the new association year, the following fifty attorneys were admitted to membership in the Denver Bar Association:

E. A. Howard Baker, Jr., Ernest S. Baker, Virginia E. Baker, Bernard L. Beck, Silvio H. Bottone, Louis W. Burford, George L. Creamer, Dorothy M. Davis, James J. Delaney, Joseph F. Dolan, Howard E. Erickson, Frederick M. Farrar, Wesley W. Forsyth, Bert A. Gallegos, Thomas A. Gilliam, Milton G. Janecek, William D. Johnson, Philip C. Klingsmith, Jr., C. J. Lewis, Lila I. Ludlam, Andrew M. Lungren, James N. Matteson, Thomas E. McCarthy, George M. McNamara, Robert D. Means, Charles B. Messenger, Arch L. Metzner, Jr., Anne L. Miller, Robert S. Mitchell, Robert B. Moch, James D. Parriott, Jr., Bruce Ownbey, John E. Radloff, H. Joe Rawlinson, Jr., Warren E. Roberts, Melvin Rossman, Ralph Sargent, Jr., Roy S. Scott, Jr., Edwin M. Sears, Norman B. Smith, Walter A. Steele, Robert Sunshine, George K. Voseipka, Lindsay P. Walden, Westel B. Wallace, James L. Webb, Ford E. Weyandt, Winston W. Wolvington, Jane C. Woodhouse, and William R. Young.

Southern Colorado Bar Association

Officers of the Southern Colorado Bar Association during the current year are: Joseph F. Nigro of Trinidad, president; William B. Nicholas of Walsenburg, vice-president; and Gilbert Sanders of Trinidad, secretary-treasurer.

⁹ Licensing Regulations 40.2, United States Atomic Energy Commission.

¹⁰ Circular No. 2, Domestic Price Schedule, United States Atomic Energy Com.

Denver Justice Courts Reorganize

Significant changes affecting the Justice and Municipal Courts of the City and County of Denver are scheduled to take place commencing January 1, 1950. All justice court criminal cases, which include misdemeanors and preliminary hearings, and which were heretofore filed in the justice courts located in the City and County Building, will be filed in the justice court located in the Police Building, 13th and Champa Streets.

This transfer of criminal cases will free the justice courts in the City and County Building so that full time may be devoted to the hearing of civil matters. This part of the change is aimed at remedying an existing condition which prevented expeditious hearings because of the heavy work load.

At the same time, the traffic division of the municipal and justice courts will be transferred from the Police Building to the City and County Building. This court will be located in the southwest corner of the main floor. The Traffic Violations Bureau, which handles the automatic pleas of guilty on minor, non-hazardous traffic violations, will be transferred from the Police Building to the City and County Building near the new traffic division.

The clerks' offices of both justice courts now located in the City and County Building, together with the clerks' office of the traffic division, will be consolidated in a clerks' office to be located adjacent to the new traffic division.

These changes are aimed at equalizing the work load in the various justice and municipal courts to the end that greater service may be rendered the public and members of the bar. The assignment of judges as announced in the change is as follows:

Civil-Division No. 1—Judge Robert H. McWilliams, Jr.

Civil-Division No. 2—Judge David W. Oyler.

Traffic-Division No. 3—Judge David Brofman.

Police and Criminal Division No. 4—Judge Frank E. Hickey.

Third International Conference of The Legal Profession

Members of the legal profession throughout the world are invited to attend the Third International Conference of the Legal Profession, which will be held in London, under the auspices of the International Bar Association (of which the American Bar Association is a member) from July 19 to July 26, 1950.

Those who desire to attend should communicate immediately with Amos J. Peaslee, Secretary-General of the International Bar Association, 501 Fifth Avenue, New York 17, N. Y. Forms of enrollment, and of notice of intention to submit papers on topics to be considered at the conference will be sent upon request. Additional preliminary information is available in the secretary's office, 319 Chamber of Commerce Bldg., Denver.